

AGENDA



Thursday, May 14, 2009

**Austin Energy
RECOMMENDATION FOR COUNCIL ACTION****Item No. 8**

Subject: Approve the issuance of a Letter of Intent for a rebate to Verdance Condominiums for the installation of a solar photovoltaic system at the project located at 3200 Grandview, Austin, Texas, in an amount not to exceed \$100,000.

Amount and Source of Funding: Funding is available in the Fiscal Year 2008-2009 Operating Budget of Austin Energy Conservation Rebates and Incentives Fund.

Fiscal Note: There is no unanticipated financial impact. A fiscal note is not required.

For More Information: Fred Yebra, Director, Demand Side Management, 482-5305; Leslie Libby, Solar Rebate Program Manager, 482-5390.

Boards and Commission Action: Recommended by the Resource Management Commission.

Austin Energy (AE) requests authorization to issue a Letter of Intent in the amount of \$100,000 to Verdance Condominiums for the installation of a solar photovoltaic system at the new facility located at 3200 Grandview, Austin, Texas, 78705. The total installed cost is estimated to be \$174,617.57 and the rebate will cover approximately 57% of the cost. The rebate level for this project is \$4,306 per kW. The solar equipment, which meets AE program requirements, includes a total of 128 solar modules rated at 190 watts each, and associated inverter is rated at 95.5% efficiency. A total of 20.2 kW in demand savings is expected.

The cash rebate amount for this project is \$4.50 per watt. On March 13, 2009, Austin Energy revised the rebate amount to \$3.75 per watt as a result of new enhanced federal tax credits that will offset a greater share of the costs for individuals and businesses installing solar energy systems. Lowering the rebate was necessary for budgetary reasons, as Austin Energy expected an increase in solar energy installations with the new tax credit legislation. This reduced rebate is still one of the largest in the nation and coupled with the enhanced federal tax credits, will further reduce the out-of-pocket cost of solar installations to Austin Energy customers. In addition to this project, Austin Energy received other applications submitted prior to the rebate amount reduction, and will be bringing those to Council for approval.

This energy improvement will save an estimated 30,618 kWh per year--enough to provide electricity to three average Austin homes for a year--and produce an estimated 31 Renewable Energy Credits per year. These savings are equivalent to the planting of 679 trees or 34 acres of forest in Austin's parks or the removal of 34,766 vehicle miles or four cars from Austin roadways. This project will save 19.8 tons of Carbon Dioxide (CO₂); 25 pounds of Sulfur Dioxide (SO₂); 27.6 pounds of Nitrogen Oxide (NO_x), and 19 pounds of Carbon Monoxide (CO) from being emitted into the atmosphere.

The Commercial Energy Efficiency programs are elements of AE's comprehensive effort to reduce local air pollution through energy conservation, to reduce peak demand, and to assist customers in reducing electric consumption.

This effort will provide AE with a constructive market transformation opportunity while adding a value-added service to encourage customer retention.